

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Community Affairs Committee

BILL: CS/SB 2632

INTRODUCER: Transportation Committee and Senator Webster

SUBJECT: Motor Vehicle Lease/Surcharge

DATE: April 19, 2006

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Vickers	Yeatman	CA	Fav/1 amendment
2. Eichin	Meyer	TR	Fav/CS
3. _____	_____	GE	Withdrawn
4. _____	_____	TA	Withdrawn
5. _____	_____	_____	_____
6. _____	_____	_____	_____

I. Summary:

This committee substitute (CS) authorizes counties to impose an additional \$2 per day surcharge on the lease or rental of motor vehicles designed to carry fewer than nine passengers, regardless of whether the vehicle is licensed in this state. The surcharge may only apply to the first 30 days of each lease or rental. Imposition of the surcharge is subject to approval via a countywide referendum. Proceeds of the local option rental car surcharge must be deposited in the Local Option Fuel Tax Trust Fund and be used for transportation facilities.

This CS substantially amends section 212.0606 of the Florida Statutes.

II. Present Situation:

Section 212.0606, F.S., authorizes a surcharge of \$2.00 per day or any part of a day on the lease or rental of a motor vehicle licensed for hire and designed to carry less than nine passengers regardless of whether such motor vehicle is licensed in Florida. The surcharge applies to only the first 30 days of the term of any lease or rental. However, the surcharge does not apply to a motor vehicle provided at no charge to a person whose motor vehicle is being repaired, adjusted, or serviced by the entity providing the replacement motor vehicle. After deduction for administrative fees and the General Revenue Service Charge, the rental car surcharge is distributed as follows:

- 80% of the surcharge to the State Transportation Trust Fund;
- 15.75% of the surcharge to the Tourism Promotion Trust Fund; and
- 4.25% of the surcharge to the Florida International Trade and Promotion Trust Fund.

Under current statute, beginning in fiscal year 2007-2008, the proceeds of the rental car surcharge that are deposited into the State Transportation Trust Fund will be allocated to each Department of Transportation (DOT) district for projects, based on the amount of proceeds collected in the counties within each respective district. There are seven transportation districts ranging in size from two counties up to eighteen counties. All counties with the exception of Glades and Lafayette collect some rental car surcharges that are deposited into the State Transportation Trust Fund. In fiscal year 2004-2005, statewide rental car surcharge revenues totaled \$133 million.¹ The counties accounting for the largest portion of this revenue include: Orange (\$30.9 million), Broward (\$19.7 million), Dade (\$18.2 million), Hillsborough (\$12.3 million), and Palm Beach (\$9.3 million).² The Department of Revenue estimates the rental car surcharge will generate \$137.4 million in fiscal year 2005-2006 and \$139.7 million in fiscal year 2006-2007.

The 1-cent county fuel tax is distributed pursuant to s. 206.60, F.S., and may be used solely for the acquisition of right-of-way, the construction, reconstruction, operation, maintenance, and repair of transportation facilities, roads, bridges, bicycle paths, and pedestrian pathways in counties; or the reduction of bonded indebtedness incurred to build those aforementioned projects.

III. Effect of Proposed Changes:

The CS amends s. 212.0606, F.S., authorizing counties to impose by referendum an additional \$2.00 local surcharge per day or any part of a day on the lease or rental of a motor vehicle licensed for hire and designed to carry less than nine passengers regardless of whether such motor vehicle is licensed in Florida. The surcharge does not apply to a motor vehicle provided at no charge to a person whose motor vehicle is being repaired, adjusted, or serviced by the entity providing the replacement motor vehicle. The surcharge must be approved by the voters in a countywide referendum. If approved, the county must notify the Department of Revenue within certain timeframes. Proceeds of the local option surcharge must be transferred to the Local Option Fuel Tax Trust Fund to be used for the construction and maintenance of transportation facilities.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹ Information provided by the Department of Revenue. This figure represents the net amount available following deductions for General Revenue Service Charges and DOR administrative fees.

² Information provided by the Department of Revenue.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

The CS would authorize counties, pursuant to a countywide referendum, to impose an additional \$2 per day surcharge on the lease or rental of a motor vehicle licensed for hire and designed to carry fewer than nine passengers.

B. Private Sector Impact:

Individuals renting or leasing certain vehicles may be required to pay an additional \$2.00 per day surcharge in counties enacting this proposal.

Representatives of several rental car firms indicated the CS will have a negative impact on their specific businesses.

C. Government Sector Impact:

The Revenue Estimating Conference has not met to determine the fiscal impact of this CS. The state would realize an indeterminate amount of additional revenue associated with the General Revenue Service Charges and sales tax on the surcharge. Local governments imposing the local option surcharge would realize additional revenue for the construction and maintenance of transportation facilities. The table below shows estimates of potential revenues possible should a county impose the optional surcharge. Source: Department of Revenue.

County	FY 06-07 Revenue (Estimated)	FY 07-08 Revenue (Estimated)
ALACHUA	\$412,112	\$419,129
BAKER	\$579	\$588
BAY	\$3,227,761	\$3,282,719
BRADFORD	\$523	\$532
BREVARD	\$1,366,305	\$1,389,569
BROWARD	\$20,362,113	\$20,708,816
CALHOUN	\$265	\$269
CHARLOTTE	\$388,066	\$394,674
CITRUS	\$140,872	\$143,271
CLAY	\$138,327	\$140,683
COLLIER	\$1,058,835	\$1,076,864
COLUMBIA	\$24,044	\$24,454
DADE	\$18,866,697	\$19,187,937
DESOTO	\$214,140	\$217,786
DIXIE	\$52	\$53
DUVAL	\$6,793,096	\$6,908,761
ESCAMBIA	\$1,886,830	\$1,918,957
FLAGLER	\$8,857	\$9,008

County	FY 06-07 Revenue (Estimated)	FY 07-08 Revenue (Estimated)
FRANKLIN	\$1,458	\$1,483
GADSDEN	\$436	\$443
GILCHRIST	\$209	\$213
GLADES	\$-	\$-
GULF	\$66	\$67
HAMILTON	\$221	\$225
HARDEE	\$2,460	\$2,502
HENDRY	\$16,217	\$16,493
HERNANDO	\$167,214	\$170,061
HIGHLANDS	\$139,020	\$141,387
HILLSBOROUGH	\$12,785,945	\$13,003,650
HOLMES	\$523	\$532
INDIAN RIVER	\$296,394	\$301,441
JACKSON	\$46,925	\$47,724
JEFFERSON	\$279	\$284
LAFAYETTE	\$-	\$-
LAKE	\$325,441	\$330,982
LEE	\$8,188,678	\$8,328,105
LEON	\$1,357,533	\$1,380,647
LEVY	\$831	\$845
LIBERTY	\$52	\$53
MADISON	\$176	\$179
MANATEE	\$556,376	\$565,849
MARION	\$226,153	\$230,003
MARTIN	\$437,956	\$445,413
MONROE	\$851,708	\$866,210
NASSAU	\$11,863	\$12,065
OKALOOSA	\$1,058,108	\$1,076,125
OKEECHOBEE	\$153,179	\$155,787
ORANGE	\$32,049,953	\$32,595,663
OSCEOLA	\$725,018	\$737,363
PALMBEACH	\$9,736,426	\$9,902,207
PASCO	\$476,578	\$484,692
PINELLAS	\$3,166,621	\$3,220,539
POLK	\$863,162	\$877,859
PUTNAM	\$20,150	\$20,493
ST.JOHNS	\$117,756	\$119,761
ST.LUCIE	\$433,790	\$441,176
SANTA ROSA	\$125,957	\$128,101
SARASOTA	\$2,419,166	\$2,460,357
SEMINOLE	\$3,018,948	\$3,070,351
SUMTER	\$2,701	\$2,747
SUWANNEE	\$7,247	\$7,370
TAYLOR	\$481	\$489
UNION	\$105	\$106
VOLUSIA	\$1,353,578	\$1,376,625

County	FY 06-07 Revenue (Estimated)	FY 07-08 Revenue (Estimated)
WAKULLA	\$265	\$269
WALTON	\$18,462	\$18,776
WASHINGTON	\$300	\$305
Non-attributable ³	\$1,378,440	\$1,401,911
State Totals	\$137,430,000	\$139,770,000

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

³ Some dollars remitted were not attributable to one county or another since remitters did not report their county of activity.

VIII. Summary of Amendments:

None.

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